

# **MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, APRIL 17, 2013 AT 4:00 PM**

**IN THE MARY BRENNAN BOARD ROOM**

**T. F. GREEN AIRPORT**

**2000 POST ROAD, WARWICK, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:17 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

**BOARD MEMBERS PRESENT:** Kathleen C. Hittner, M.D; Deborah M. Thomas; Michael Traficante and John Justo.

**BOARD MEMBER ABSENT:** Joseph Cianciolo; Bradford S. Dimeo and Robert Sangster.

**ALSO PRESENT:** Kelly J. Fredericks, P.E., A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

**1. Approval of the Minutes:**

**A motion was made by Mr. Traficante and seconded by Ms. Thomas to approve the minutes of the Board of Director's Meeting of March 20, 2013. The motion was passed unanimously.**

## **2. Open Forum:**

**Dr. Hittner introduced new Board Member Mr. John Justo who replaced Mr. Ryan. Dr. Hittner also welcomed Mr. Kelly Fredericks, the newly appointed President and CEO.**

**Dr. Hittner asked if anyone present wanted to speak in Open Forum. Mr. Michael Zarum requested to speak to the Board.**

**Mr. Zarum welcomed Mr. Fredericks to his new post and stated he was encouraged by the combined engineering and business skills Mr. Fredericks will bring to the position. Mr. Zarum discussed the overall scope and funding needs for the mandated Deicer Management Project. Mr. Zarum noted that he had written to Senator Reed and suggested RIAC contact him as well to seek any additional funding that may be available. Mr. Zarum noted that he is willing to volunteer his time and assistance if requested.**

## **3. Report from President and CEO:**

**Mr. Fredericks presented the President and CEO report and reported on the following:**

- Mr. Fredericks noted this was his 7th day as the President and CEO of RIAC and he would like to thank the staff and Board of Directors for the warm welcome he has received. Mr. Fredericks noted that in future meetings he will call upon Senior Staff members to provide updates to the Board at these meetings in order to recognize their expertise and to build on communication. Mr. Fredericks extended Mr. Frazier and Mr. Schattle a special thank you for their support during this transition.**
- Mr. Fredericks introduced Mr. Jeffrey P. Goulart, Manager of Finance and Administration, and noted that Mr. Goulart is a great asset and addition to the team.**
- Mr. Fredericks reported the passenger traffic for March 2013 was up 4.62% on approximately 2% less capacity and the increase in traffic lowered the year to date loss. Mr. Fredericks noted capacity is forecasted to increase.**
- Mr. Fredericks reported the GA Airport system had a poor month overall and RIAC will continue to review operations at these airports and seek improvements to strengthen the general aviation system.**
- Mr. Fredericks reported revenue and market shares for parking were**

**both up while the number of customers had decreased.**

- Mr. Fredericks stated there were three bid openings. The demolition of Hangar 1 came in under budget, Design of runway 16-34 Safety Area Improvements came in with three favorable bids with the apparent low bid under budget and the PVD Deicer Management System came in higher than anticipated and will be reevaluated.**
- Mr. Fredericks reported he will be participating in a meeting with the Federal Aviation Administration on April 18th to discuss high priority projects and ongoing coordination of PVD's program.**
- Mr. Fredericks reported that due to federal sequestration the Quonset Air Show has been cancelled.**
- Mr. Fredericks reported he will be attending the Ward 3 Community Meeting on April 18th at the request of Warwick Councilwoman Camille Vella Wilkinson for a brief presentation on airport projects. He will be joined by Mr. McDonough and Mr. Porter.**
- Mr. Fredericks asked Mr. Frazier to provide an update on the obstruction easement at Westerly Airport. Mr. Frazier reported an informational meeting with the Westerly Town Council was held two weeks ago and a vote will be held on April 22nd at the Westerly Town Council Meeting to approve the granting of the avigation easement.**

#### **4. Action Items:**

##### **(a) Consideration of and Action Upon Appointment of RIAC Purchasing Agent.**

**Mr. Schattle gave an overview of this item noting that Mr. Fredericks has the right to appoint a Purchasing Agent under RIAC procurement rules. The recommendation is that the Board approve the appointment of Jeffrey P. Goulart, Manager of Finance and Administration, subject to Board approval, as the RIAC Purchasing Agent, with Brian C. Schattle, Chief Financial Officer serving in this capacity in the event that Mr. Goulart is unavailable.**

**WHEREAS, Section 3.1.2 of the Rhode Island Airport Corporation (RIAC) Procurement Rules states that “within RIAC there shall be a Purchasing Agent appointed by the RIAC Executive Director (now the President and CEO) with the approval of the RIAC Board of Directors”; and**

**WHEREAS, RIAC’s former Purchasing Agent, Jennifer M. Hawkins, has left the organization; and**

**WHEREAS, pursuant to Section 3.1.2 of the RIAC Procurement rules, Kelly J. Fredericks, P.E., A.A.E. has appointed Jeffrey P. Goulart, Manager of Finance and Administration, as the RIAC Purchasing Agent; and**

**WHEREAS, Brian C. Schattle, Chief Financial Officer, will serve in this capacity in the event that Mr. Goulart is unavailable.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board approve the appointment of Jeffrey P. Goulart, Manager of Finance and Administration, as the RIAC Purchasing Agent, with Brian C. Schattle, Chief Financial Officer serving in this capacity in the event that Mr. Goulart is unavailable.**

**(b) Consideration of and Action Upon Approval to Add a Project Into the Fiscal Year 2013 Capital Improvement Program AND Consideration of and Action Upon Approval of a Consultant Task Order to Phase 1 – Sound Mitigation Program at T. F. Green Airport.**

**Mr. Schattle gave an overview of the project funding noting that to meet the grant deadline of June 1st, funding for this project will be added to the FY 2013 CIP budget. Mr.**

**Schattle noted the FAA will be allocating FY 2013 funds to this project. Mr. Porter gave an overview of the task order noting this is the beginning of the next phase of the Sound Mitigation Program and a test case will be performed on 10 to 12 homes to establish best practices. Dr. Hittner asked how the homes for the pilot program were chosen. Mr. Porter stated they were chosen based on their proximity to the airport and the building materials of the homes. Mr.**

**Frazier noted, for the record, that the original number of sound impacted homes identified in the EIS, 157, has subsequently been increased to 564. This increase was achieved by better identification of which homes have been previously insulated as well as identifying a mis-zoned structure which contained 120 condominium units that were not originally counted.**

**The recommendation is that the Board authorizes the President and CEO, or his designee, to 1) add the Phase 1 Sound Insulation Program into the Fiscal Year 2013 Capital Improvement Program; and 2) execute a Task Order with The Jones Payne Group to provide services associated with Phase 1 – of the Sound Mitigation Program at T. F. Green Airport in an amount not to exceed \$428,820, subject to FAA approval.**

**WHEREAS, on February 13, 2013, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement with The Jones Payne Group (JPG) to provide consultant services associated with the Sound Mitigation Program for T. F. Green Airport; and**

**WHEREAS, to date, one Task Order in the amount of \$95,932 has been issued under this Agreement; and**

**WHEREAS, RIAC staff received a Scope and Fee from JPG in the amount of \$428,820 to perform the above referenced services**

**associated with Phase 1 of the Sound Mitigation Program at T. F. Green Airport and is currently conducting negotiations; and**

**WHEREAS, Phase 1 of the Sound Mitigation Program will be proposed in the upcoming Fiscal Year 2014 CIP; and**

**WHEREAS, in order to meet the established grant deadline for this phase, the Rhode Island Airport Corporation (RIAC) is seeking to add this project to the Fiscal Year 2013 CIP budget; and**

**WHEREAS, this Task Order will initially be funded from the General Purpose Fund; and**

**WHEREAS, RIAC will seek reimbursement of 80% of the expenditures from the Federal Aviation Administration (FAA) through the Airport Improvement Program (AIP); and**

**WHEREAS, RIAC's 20% matching share is also included in the Passenger Facility Charge (PFC) application that is currently in process.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to 1) add the Phase 1 Sound Insulation Program into the Fiscal Year 2013 Capital Improvement Program; and 2) execute a Task Order with**



**The Jones Payne Group to provide services associated with Phase 1 – of the Sound Mitigation Program at T. F. Green Airport in an amount not to exceed \$428,820, subject to FAA approval.**

**(c) Consideration of and Action Upon Deicer Management System Funding Through the Clean Water State Revolving Fund.**

**Mr. Schattle gave an overview on this item noting that the Rhode Island Clean Water Finance Agency loan application through the RIEDC has been amended to increase the amount to fund this project.**

**The project will be re-scoped into multiple bid packages with the goal of reducing the overall cost of the project. Mr. Schattle stated that a resolution related to this item will go before the RIEDC Board of Directors on April 22, 2013 for action and approval. Ms. Thomas asked if interest rates and financing agreements have been discussed. Mr. Schattle stated the interest rate will be finalized in the calculation of final loan documents and the bond is being secured by airport revenues. The recommendation is that:**

**1. RIAC hereby approves an amendment by the EDC to the Loan Application previously submitted to RICWFA to increase the loan amount from \$25,500,000 to up to \$33,500,000.**

**2. RIAC hereby approves the Deicer Management Project and hereby requests the EDC to issue up to \$33,500,000 Airport Revenue Bonds to finance the Deicer Management Project.**

**3. The President/CEO or the officers of RIAC, upon consultation with RIAC's legal counsel and/or financial advisor, are hereby authorized to approve the form, terms and provisions of the Ninth Supplemental Indenture and the loan documents in connection therewith, including the 2013 Series A Loan Agreement, and the President/CEO or the officers of RIAC, signing singly, are hereby authorized and directed to execute, acknowledge and deliver the Ninth Supplemental Indenture and the 2013 Series A Loan Agreement in substantially the forms approved by the President/CEO or the officers of RIAC, and following execution thereof, the directors, officers, agents and employees of RIAC are hereby authorized and directed to take all such other action, and to execute and deliver all such other documents, as may be necessary or appropriate to carry out and comply with the terms and provisions of such documents.**

**4. The President/CEO or the Chairperson of RIAC, acting singly or in their absence, the Treasurer, of RIAC, is hereby authorized to approve the sale price of and interest rate for the 2013 Series A Bonds.**

**5. The officers of RIAC are hereby authorized and directed to execute and deliver all such other documents, and to take all such other action, as may be necessary or appropriate in order to give effect to this resolution.**

**6. All acts of the officers of RIAC which are in conformity with the**

**purposes and intents of this resolution and in furtherance of the issuance of the 2013 Series A Bonds and the execution, delivery, approval and performance of the Ninth Supplemental Indenture, 2013 Series A Loan Agreement and any further documents shall be, and the same hereby are, in all respects ratified, approved and confirmed.**

**WHEREAS, the Rhode Island Airport Corporation (“RIAC”) is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (“State”) organized and existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the “Act”) as a subsidiary public corporation of the Rhode Island Economic Development Corporation (“EDC”); and**

**WHEREAS, RIAC has the power pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act “... to furnish proper and adequate airport facilities within the State ...;” and**

**WHEREAS, RIAC is undertaking the Fiscal Year 2013 Airport Project, consisting of various capital projects including, but not limited to, a Deicer Management System, funding capitalized interest, costs of issuing bonds and related costs and the establishment of reserves for the project and the bonds, including a debt service reserve fund; and**

**WHEREAS, on March 30, 2012, the Board of Directors of RIAC (the “Board”) authorized an inducement resolution pursuant to which it**

**declared its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse itself for expenditures made for the Fiscal Year 2013 Airport Project prior to the issuance of bonds in an amount not to exceed \$25,000,000; and**

**WHEREAS, on November 13, 2012 the Board authorized RIAC to apply for a loan from the Rhode Island Clean Water Finance Agency (“RICWFA”) to finance a portion of the Fiscal Year 2013 Airport Project consisting of the Deicer Management System and funding a debt service reserve, capitalized interest and costs of issuance in connection therewith (collectively, the “Deicer Management Project”) through its Clean Water State Revolving Fund, a subsidized loan program for local government units to finance wastewater infrastructure projects (the “SRF”) (the “Loan Application”); and**

**WHEREAS, RIAC intends to finance the Deicer Management Project by requesting the EDC to issue up to \$33,500,000 Airport Revenue Bonds, 2013 Series A (the “2013 Series A Bonds”) pursuant to the Master Indenture of Trust dated as of October 1, 1993, by and among the EDC, RIAC and U.S. Bank National Association, as trustee (“Trustee”) (the “Master Indenture”), as amended through the date hereof including by a Ninth Supplemental Indenture of Trust among RIAC, the EDC and the Trustee (the “Ninth Supplemental Indenture” and together with the Master Indenture, as amended, collectively, the “Indenture”) and a Loan Agreement between RIAC and the EDC (the “2013 Series A Loan Agreement”), pursuant to which the EDC will**

**loan the proceeds of the sale of the 2013 Series A Bonds to RIAC; and**

**WHEREAS, the RICWFA has agreed to purchase the 2013 Series A Bonds from the EDC upon terms and conditions to be determined pursuant to an agreement between RICWFA and EDC; and**

**WHEREAS, RIAC wishes EDC to amend and update its Loan Application to RICWFA for financing up to \$33,500,000.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**1. RIAC hereby approves an amendment by the EDC to the Loan Application previously submitted to RICWFA to increase the loan amount from \$25,500,000 to up to \$33,500,000.**

**2. RIAC hereby approves the Deicer Management Project and hereby requests the EDC to issue up to \$33,500,000 Airport Revenue Bonds to finance the Deicer Management Project.**

**3. The President/CEO or the officers of RIAC, upon consultation with RIAC's legal counsel and/or financial advisor, are hereby authorized to approve the form, terms and provisions of the Ninth Supplemental Indenture and the loan documents in connection therewith, including the 2013 Series A Loan Agreement, and the President/CEO or the officers of RIAC, signing singly, are hereby authorized and directed to execute, acknowledge and deliver the Ninth Supplemental Indenture**

**and the 2013 Series A Loan Agreement in substantially the forms approved by the President/CEO or the officers of RIAC, and following execution thereof, the directors, officers, agents and employees of RIAC are hereby authorized and directed to take all such other action, and to execute and deliver all such other documents, as may be necessary or appropriate to carry out and comply with the terms and provisions of such documents.**

**4. The President/CEO or the Chairperson of RIAC, acting singly or in their absence, the Treasurer, of RIAC, is hereby authorized to approve the sale price of and interest rate for the 2013 Series A Bonds.**

**5. The officers of RIAC are hereby authorized and directed to execute and deliver all such other documents, and to take all such other action, as may be necessary or appropriate in order to give effect to this resolution.**

**6. All acts of the officers of RIAC which are in conformity with the purposes and intents of this resolution and in furtherance of the issuance of the 2013 Series A Bonds and the execution, delivery, approval and performance of the Ninth Supplemental Indenture, 2013 Series A Loan Agreement and any further documents shall be, and the same hereby are, in all respects ratified, approved and confirmed.**

**5. Executive Session:**

**At approximately 4:49 p.m. a motion was made by Ms. Thomas and seconded by Mr. Traficante to go into Executive Session for the purpose of discussing the following items:**

**(a) Motion to Approve the Minutes of the Executive Session held on March 20, 2013 - R.I.G.L. § 42-46-5(a),(1),(2), and (7); and**

**(b) Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2); and**

**(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Project Funding Strategies) – R.I.G.L. § 42-46-5(a)(7); and**

**(d) Motion to Return to Open Session.**

**By the following roll call vote the motion was passed unanimously.**

**YEAS: Kathleen C. Hittner, M.D.**

**Deborah M. Thomas**

**Michael Traficante**

**John Justo**

**NAYS: None**

**ABSTAIN: None**

**At approximately 5:49 p.m., a motion was made by Mr. Traficante and seconded by Ms. Thomas to return to the Open Session. The motion was passed unanimously.**

**6. Post Executive Session Actions and Announcements:**

**(a) Motion to Seal the Minutes of the Executive Session Held April 17, 2013.**

**A motion was made by Ms. Thomas and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.**

**YEAS: Kathleen C. Hittner, M.D.**

**Robert Sangster**

**Deborah M. Thomas**

**Michael Traficante**

**NAYS: None**

**ABSTAIN: None**

**(b) Report on Actions Taken in Executive Session.**



**During the Executive Session, a motion was made by Mr. Traficante to approve the sealed minutes of the Executive Session held on March 20, 2013. The motion was seconded by Ms. Thomas. The motion passed unanimously.**

#### **7. Future Meetings:**

**The next Board Meeting will be held on Wednesday, May 15, 2013 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

#### **8. Adjournment:**

**Ms. Thomas moved to adjourn at approximately 5:50 p.m. Mr. Traficante seconded the motion. The motion was passed unanimously.**

**Respectfully submitted,**

**Kathleen C. Hittner, M.D., Chair  
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET**  
**RHODE ISLAND AIRPORT CORPORATION**  
**MEETING OF THE BOARD OF DIRECTORS**

**WEDNESDAY, APRIL 17, 2013**

**NAME      AFFILIATION**

**Brian Schattle    RIAC**

**Peter Frazier    RIAC**

**Alan Andrade    RIAC**

**Liberty Luciano    RIAC**

**Sherri Ann Penta    RIAC**

**Doug Dansereau    RIAC**

**Jeffrey Goulart    RIAC**

**Patricia Goldstein    RIAC**

**Timothy Pimental    RIAC**

**Bruce Wilde    RIAC**

**Paul McDonough    RIAC**

**Dan Porter    RIAC**

**Howard Mann    InterVistas**

**Chris Klawitter    Catholic University America**

**Chris Conley    PB Americas**

**Laurie Brayton    RI Senate Fiscal Office**

**Robert Goff    New England Parking**

**Woody Creswell    The Paradies Shops**

**Wendy Hennessey    The Paradies Shops**

**Michael Zarum    Constituent**

**Sandy Mack    Cameron and Middlemen**

**Jean Mongillo    Hoyle Tanner**

**The minutes of the Executive Session of the Board Meeting of April 17, 2013, have been sealed in accordance with R.I.G.L. § 42-46-4.**